

SW-02361A-08-0609



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ORIGINAL

OPEN MEETING AGENDA ITEM
ARIZONA CORPORATION COMMISSION

UTILITY COMPLAINT FORM

Arizona Corporation Commission

DOCKETED

Investigator: Carmen Madrid

Phone:

Fax: FEB 15 2013

Priority: Respond Within Five Days

DOCKETED BY

AM

Opinion No. 2013 - 108536

Date: 2/14/2013

Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

Complaint By: First: AI Last: Swanson

Account Name: Carefree 34 Inc.

Home: (000) 000-0000

Street:

Work:

City: Carefree

CBR:

State: AZ Zip: 85377

is:

Utility Company: Liberty Water-Black Mountain Sewer Corporation

Division: sewer

Contact Name:

Contact Phone:

Nature of Complaint:

***** OPPOSED TO RATE INCREASE ***** DOCKET NO. SW-02361A-08-0609 *****

Thank you for taking the time to discuss the malady surrounding Liberty Utilities Account for Carefree 34 Inc., and understanding small business owners invest their life savings in ventures such as ours; this proposed rate increase is simply unaffordable.

We have attached a very brief summary, summarizing the perspective of the crippling increase proposed by Liberty Utilities.; these rates are simply not affordable.

Thank you for understanding...

Venues Café

•Liberty Utilities (aka BMSC - --Black Mountain Service Company) proposes a calculation to charge Carefree 34 Inc., for more than 97,200 gallons of sewage processing per month, increasing costs from \$87.06 to \$805.90 monthly (925% increase) based upon the obsolete ADEQ Engineering Bulletin No. 12.

• ADEQ correspondence dated August 30, 1996 (not a typo) unequivocally details Engineering Bulletin No. 12 was outdated 17 years ago, and (more importantly) according to ADEQ, not applicable.

•Liberty/BMSC claims (correspondence dated January 8, 2012) they "discovered" during a "routine audit" Venues Café had 108 chairs available for service in December of 2012. BMSC imputes usage of 30 gallons of sewage per chair, (yes per chair) per day, equaling a processing fee for 97,200 gallons of outflow per month--the restaurant was incorporated in 2005; nearly 8 years ago...

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•Venues Café purchases about 30,000 gallons of water per month, including water utilized for customer water/soda/bar drinks, ice, cooking and cleaning, misters, evaporator cooler, and frequent washing of exterior patios. Due to modern, pro-active, water conservation efforts, actual fluid pass through to the sewer system is estimated to be an average of less than 500 gallons per day; an average of about 15,000 gallons per month of sewage needing treatment.

•Research revealed there are only 21+/- commercial customers in the BMSC service area; the Utility is clearly, routinely, discriminating/targeting against small business owners who do not have the resources to lobby against prejudicial practices imposed by the utility.

•Guaranteed Utility Investor rates of return are based upon revenues calculated prior to the Café's "audit" and therefore any "audit" occurring after a rate increase is clearly a poorly veiled attempt to surreptitiously increase yields beyond what was approved by the ACC; in essence a "second bite of the apple"; BMSC is looking to increase revenue/profits.

•Discussion(s) in January with BMSC employees, Charlie Hernandez and Matthew Garlick seemingly reached accordance, agreeing the proposed rate increase unreasonable, offering to explore a rate based upon the number of meals served. Follow up efforts initiated to date have not been responded to.

•On February 12, 2013, Liberty Utilities reaffirmed their intent, without notice; hand delivering "Potential Sewer Rate Adjustment for Venues Café" reinforcing imputed calculation 30 gallons outflow per chair (per day) usage @ \$0.248734 per gallon rate charge—in a very seasonal, small town, restaurant.

•Comparisons of billings with other building owners renting to restaurants, reveals the rates charged are discriminatory; a "strip center" with 13 units, including a restaurant is charged approximately \$500 per month; another restaurant occupied strip center Owner \$100-150 monthly. An adjacent center of 400-500+/- restaurant seats (Spanish Village) would have a monthly rate of \$3,700 +/- per month using this formula which is clearly not affordable. The rates are being assessed in a prejudicial and/or discriminatory manner.

•Deposition(s) by BMSC executive Greg Sorenson of an alleged inability to ascertain average water usages, for 21 commercial users, from Carefree Water Company are not credible.

•The town of Carefree is dependent upon Sales Tax for revenues. Restaurants help provide an attractive tourist destination; the Town's sales tax revenue would be substantially affected if the restaurants could not afford to stay open in Carefree.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

Opinion noted and filed in Docket No. SW-02361A-08-0609. closed

End of Comments

Date Completed: 2/14/2013

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